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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND MEETING
BEFORE THE COUNCIL COMMITTEE ON APPROPRIATIONS

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- - -
Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, 12/6/01
8:58 a.m.
- - -

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BILL 010662 Authorizing transfers in appropriations
for FY '02 from Grants Revenue Fund, Director of
Finance - Provision for Other Grants to General Fund,
City Representative, and Director of Commerce.

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BILL 010663 Authorizing transfers in appropriations
for FY '01 within General Fund from certain or all
City offices, departments, boards, commissions to
certain or all City offices, departments, boards,
commissions.

12

BILL 010664 Authorizing transfers in appropriations
for FY '01 within Water Fund from certain or all City
offices, departments, boards, commissions to certain
or all City offices, departments, boards,
commissions.

15

BILL 010689 Authorizing City Solicitor to enter into
multi-year contract with provider of codification and
editing services to produce printed and electronic
versions of eighth edition of Philadelphia Code.

18

PRESENT: Councilwoman Joan L. Krajewski, Chair
Councilman Michael A. Nutter, Vice Chair
Councilman Darrell L. Clarke
Councilman Richard T. Mariano
Councilwoman Donna Reed Miller
Councilman Brian J. O'Neill
Councilman Angel L. Ortiz

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1 12/6/01 APPROPRIATIONS COMMITTEE MEETING

2 COUNCILWOMAN KRAJEWSKI: Good morning,
3 good morning. The Committee on Appropriations --
4 excuse me. The Committee on Appropriations is now
5 in session.

6 Will the clerk please read the bills.

7 THE CLERK: Bill No. 010662, an ordinance
8 authorizing transfers in appropriations for Fiscal
9 Year 2002 from the Grants Revenue Fund, the Director
10 of Finance - Provision for Other Grants to the
11 General Fund, the City Representative, and the
12 Director of Commerce.

13 And Bill No. 010663, an ordinance
14 authorizing transfers in appropriations for Fiscal
15 Year 2001 within the General Fund from certain or
16 all City offices, departments, boards, and
17 commissions to certain or all City offices,
18 departments, boards, and commissions.

19 And Bill No. 010664, an ordinance
20 authorizing transfers in appropriations for Fiscal
21 Year 2001 within the Water Fund from certain or all
22 City offices, departments, boards, and commissions
23 to certain or all City offices, departments, boards,
24 and commissions.

25 And Bill No. 010689, an ordinance

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2 authorizing the City Solicitor, on behalf of the
3 City, to enter into a multi-year contract with the
4 provider of codification and editing services to
5 produce printed and electronic versions of the
6 eighth edition of the Philadelphia Code and periodic
7 supplements, all under certain terms and conditions.

8 (Witnesses come forward.)

9 COUNCILWOMAN KRAJEWSKI: Good morning,
10 gentlemen.

11 MR. CUORATO: Good morning, Councilwoman.

12 COUNCILWOMAN KRAJEWSKI: Would you please
13 state your name for the record.

14 MR. CUORATO: Good morning Councilwoman
15 Krajewski and members of City Council. My name is
16 James Cuorato, and I'm the City representative and
17 Director of Commerce for the City of Philadelphia.

18 I appreciate this opportunity to submit
19 testimony in support of Bill No. 010662, which
20 authorizes the transfer of \$18 million from the
21 Grants Revenue to the General Fund for use by the
22 Director of Commerce

23 Also here with me this morning at the
24 table is Mickey Rowley (ph.), who is the Executive
25 Director of the Greater Philadelphia Hotel

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2 Association. And also here with us this morning
3 are: Tom Muldoon, President of the Philadelphia
4 Convention and Visitor Bureau; Meryl Levitz, the
5 President of the Greater Philadelphia Tours and
6 Marketing Corporation. And we're also very pleased
7 to have with us this morning a number of
8 representatives of the hospital industry who are
9 seated to your left.

10 COUNCILMAN NUTTER: That was well
11 orchestrated, gentlemen.

12 MR. CUORATO: In the aftermath of the
13 September 11th attack, the hospitality industry
14 faces one of its greatest challenges. The national
15 hotel industry is now forecasting the worst
16 financial performance in 33 years. It is estimated
17 that the hotels in Philadelphia lost more than
18 170,000 room nights as a result of the tragedy,
19 equating to more than \$47 million in visitor
20 spending.

21 Prior to September 11th, hotels were
22 anticipating concluding this year with a 59 percent
23 average occupancy. Subsequently, the industry is
24 expecting to end the year at a percentage rate in
25 the mid 50s. Occupancy projections for next year

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2 have also been significantly reduced from 62 percent
3 to approximately 55 percent. This revised
4 projection represents a loss of more than
5 \$100 million in visitor spending.

6 Hospitality and tourism constitute the
7 second largest industry in both the City and the
8 State. From 1997 to 1999, statewide spending by
9 travelers supported \$11.2 billion in wages and over
10 half a million jobs. More than 43,000 of those jobs
11 are here in Philadelphia and are held by residents
12 of all sections of the City. Without the active
13 intervention of the City together with the
14 hospitality industry, it will difficult to reverse
15 the negative economic impacts already being
16 experienced by Philadelphia's restaurant and hotel
17 workers.

18 To help the tourism and hospitality
19 industry respond to this financial crisis, the
20 Administration has developed a \$3 million campaign
21 designed to support Philadelphia's \$1 billion-a-year
22 hospitality industry. The transfer of funding
23 authorized by this bill is an integral part of this
24 large hospitality industry support initiative. This
25 initiative is designed to stimulate market demand by

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2 creating a media campaign for a targeted audience
3 and by establishing a comprehensive convention
4 support program.

5 The marketing campaign, entitled "Philly's
6 More Fun When You Sleep Over," is being led by the
7 Greater Philadelphia Tourism Marketing Corporation.
8 The marketing effort includes television, radio,
9 magazine, Internet, and other advertising media to
10 reach the key drive markets within a 300-mile radius
11 of Philadelphia. The campaign promotes a weekend
12 hotel package to attract leisure visitors during
13 that part of the week when hotel vacancy rates are
14 highest. This marketing campaign will help
15 Philadelphia maintain its competitive position with
16 Boston, New York, and several other urban centers
17 that have each announced aggressive strategies in
18 response to the events of September 11th

19 The second element of the hospitality
20 support initiative is a multifaceted meeting and
21 convention sales plan led by the Philadelphia
22 Convention and Visitors Bureau. The plan includes
23 three PCVB direct sales initiatives to provide
24 short-term business opportunities in 2002 and 2003
25 for the Philadelphia hospitality industry. The

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2 sales initiatives include direct sales, citywide
3 convention promotion, and regional corporate sales.

4 This initiative is the product of a strong
5 collaboration between the hospitality industry and
6 the public sector. It represents a combined effort
7 of the City of Philadelphia, the Greater
8 Philadelphia Tourism and Marketing Corporation, the
9 Philadelphia Convention and Visitors Bureau, the
10 Greater Philadelphia Hotel Association, and the
11 Delaware River Port Authority, which has agreed to
12 provide \$2 million towards this effort.

13 The success of the hospitality industry
14 support initiative is critical not only to the many
15 hotels and restaurants in the City relying on
16 visitor spending, but to the thousands of City
17 residents they employ. I, therefore, strongly urge
18 you to support passage of Bill No. 010662. I would
19 also respectfully request a suspension of the rules
20 so that first reading can be waived and we can have
21 this bill approved at the earliest possible time.

22 As I said, Madam Chair, Mr. Rowley has a
23 short statement that he would like to read, and then
24 myself, Mr. Rowley, Meryl, and Tom Muldoon will also
25 been available for any questions that you may have.

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2 COUNCILWOMAN KRAJEWSKI: Before we ask any
3 questions, I would like to acknowledge a quorum we
4 have Councilman O'Neill, Councilwoman Miller,
5 Councilman Nutter, and Councilman Mariano and
6 Councilman Clarke.

7 Mr. Cuorato, could you tell this committee
8 what types of marketing strategies other cities such
9 as Baltimore, Boston, and New York are using in
10 their response to September 11th.

11 MR. CUORATO: Councilwoman, there are a
12 number of other cities that are launching similar
13 campaigns. And as I said, we feel we need to move
14 ahead with this campaign aggressively in order to
15 maintain our competitive position.

16 New York City has -- and obviously since
17 that was the site of the major attack, has suffered
18 even more severely than we have. They have
19 initiated a \$40 million campaign that includes
20 discounted hotel rooms, Broadway tickets, and
21 contributions to a World Trade Center fund.

22 Washington D.C. has begun an aggressive
23 campaign called "The American Experience," which
24 again includes packages based around hotel stays.

25 Boston has begun a \$6 million promotional

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2 campaign.

3 Miami is spending \$2.2 million.

4 And as with our program, all of these
5 cities are leveraging public funds and attracting
6 other sources of investments as well. So the actual
7 expenditures will be much higher. But New York,
8 Miami, Washington, D.C., Boston, and Baltimore all
9 have begun very aggressive campaigns.

10 COUNCILWOMAN KRAJEWSKI: Do you think
11 there are other cities allocating additional funds
12 in an attempt to boost tourism?

13 MR. CUORATO: Yes, Councilwoman, there's
14 no question. And in some cases, not only are the
15 cities contributing funds but the states are as
16 well. And we are continuing to work with the
17 Commonwealth to see if they will be a part of this
18 program.

19 Baltimore has launched a program that's
20 being funded by the city and the State of Maryland.
21 And New York, Miami, Boston, Chicago, all of those
22 cities are contributing directly to their campaigns
23 with the idea that the city's funds would leverage
24 other funds, which is what we're trying to do as
25 well.

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2 COUNCILWOMAN KRAJEWSKI: Thank you.

3 Are there any other questions from the
4 committee?

5 COUNCILMAN O'NEILL: Yes.

6 Mr. Cuorato, I think the City of
7 Philadelphia can be very proud of its hospitality
8 industry and the leadership it took collectively on
9 September 12th to start in motion what we are
10 talking about here today. And the commercials have
11 been cut, they're terrific. I think we're leading
12 the nation in terms of the quality of our response
13 to this. And I think the timing couldn't be better.

14 I also think that the \$3 million is going
15 to be a part of what we eventually do, but we have
16 to do it. And I think a lot of the response of
17 those other cities is because of how quickly
18 Philadelphia, with its mayor and with its entire
19 united hospitality industry, responded to September
20 11th.

21 So we may not be doing great, but we're
22 doing as well as anybody in the country because of
23 how quickly and how effectively we put this
24 together.

25 Thank you.

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2 COUNCILWOMAN KRAJEWSKI: Councilman
3 Clarke.

4 COUNCILMAN CLARKE: Thank you, Madam Chair
5 Good morning, Mr. Cuorato.

6 MR. CUORATO: Good morning, Councilman.

7 COUNCILMAN CLARKE: Mr. Cuorato, I
8 recently saw some of the commercials that are being
9 run by the some of the other municipalities, and I
10 noticed they had some high-profile elected
11 officials. So on behalf of the City Council of
12 Philadelphia, if you would like to have any of us to
13 appear in the commercials, please feel free to ask.

14 Thank you.

15 (Laughter.)

16 COUNCILMAN CLARKE: Thank you, Madam
17 Chair.

18 MR. CUORATO: So noted, Councilman Clarke.

19 COUNCILWOMAN KRAJEWSKI: Councilman
20 Mariano.

21 COUNCILMAN MARIANO: I wasn't in the
22 commercial so I have nothing nice to say. He's
23 taller than me.

24 My main question here is, this is all a
25 good thing and I'm voting for it, but I just want to

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2 make sure that them chamber maids that are making \$6
3 an hour are going to come back to work, you know,
4 the people that really feel the impact of this.

5 MR. CUORATO: Yes, Councilman. This
6 really is aimed at not only maintaining
7 Philadelphia's competitive position but retaining
8 the jobs in the hospitality industry. And actually,
9 Mr. Rowley can talk directly about that, the effect
10 that this program will have on keeping people
11 working in Philadelphia in every neighborhood of the
12 City. And Mr. Rowley will be able to address that
13 specifically for you.

14 COUNCILMAN MARIANO: Thank you.

15 COUNCILWOMAN KRAJEWSKI: Thank you.
16 Councilwoman Miller.

17 COUNCILWOMAN MILLER: Yes, good morning.
18 I happened to be watching TV the other day. I don't
19 watch TV a whole lot, but I did see the commercial
20 about spending the night in Philadelphia. I thought
21 it was very well done, and I looked up and I saw
22 Mayor Street, and I said, Oh, this is new. Also, in
23 comparing that commercial with the one that think
24 Whoopee Goldberg does for New York, I thought it was
25 really well done, and it would entice people to

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2 Philadelphia.

3 In reading some of the comments in the
4 testimony, I continue to ask about the marketing
5 strategy for the entire City to draw tourists here,
6 and I'm particularly interested in continuing to
7 gain information about how we include our
8 neighborhoods, other than Manayunk, other than
9 Chestnut Hill, which happens to be in my district,
10 and I'm really interested in specifically what we
11 are doing to advertise the flavor of Philadelphia
12 out in the minority neighborhoods. So...

13 MR. CUORATO: Councilwoman, I think I'll
14 ask Miss Levitz to respond to that question for you.

15 MS. LEVITZ: Thank you, Councilwoman. And
16 I think you've all come up with a great idea. We're
17 going to ask you to all get together in bathrobes --
18 we'll supply them, and we'll take a great
19 photograph.

20 COUNCILMAN NUTTER: We're trying to
21 attract people here, we want them to come here.

22 (Laughter.)

23 MS. LEVITZ: And we'll never stop.

24 Councilwoman, it's a terrific question
25 because one thing that we haven't been able to do

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2 until this year was to sell the region to the region
3 and highlight the richness of the neighborhoods.

4 A few months ago, the Delaware River Port
5 Authority apportioned an initial \$2 million grant
6 for us to be able to just do that. It will be "Be a
7 Tourist in your Own Town" campaign. We were going
8 to start working on that -- well, we had started
9 working on that in August, and then September 11th
10 happened, and so we've postponed the development of
11 that campaign. That campaign, however, will launch
12 in the spring.

13 In the meantime, we've asked Patricia
14 Washington, who's our Vice President of Grants and
15 Development, who's here today, who has started
16 working with the neighborhoods last year on a
17 neighborhood initiative program and a heritage
18 tourism program. Because increasingly, the visitors
19 who come to Philadelphia like to start in Center
20 City, but they are starting to branch out now, and
21 we would like to help them every way we can. So
22 starting in spring, you will see the launch of that
23 program as well. And we're working with the DRPA to
24 developing extended funding for that.

25 Thank you.

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2 COUNCILWOMAN KRAJEWSKI: Councilman
3 Nutter.

4 COUNCILMAN NUTTER: Thank you, Madam
5 Chair.

6 Like my colleagues, I would like to
7 commend all four of you for your great efforts on
8 behalf of the City. For whoever is here or
9 Councilmembers who are not here, whether we get to
10 see TV very much, if you have maybe a promotional
11 video -- I know a lot of times when you do these
12 commercials, they can all come on one cassette, or
13 maybe they're on DVD. It would just be helpful, I
14 think, for all of us to have them and see them and
15 know what's going.

16 Second, I do want to commend Mickey and
17 the hotel and hospitality industry directly for the
18 efforts that you make for Philadelphia. We know
19 that there has been a tremendous impact, and I think
20 you had most recently -- was that the bed-making
21 event? That was a little while ago, which I think I
22 missed, although I was never good at that -- I still
23 have no bed-making talent.

24 But I do have a small thought, as
25 Councilwoman Miller was mentioning, about different

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types of promotions. Maybe as this campaign goes on -- and I know you're -- I think Councilman Clarke probably will be the next person in a commercial, but for those of us who are not as telegenic, when you have major events at some of the hotels, I might suggest that some of us could potentially be available if you have kind of those groups coming in at a particular time, and could just really be there to greet people, welcome them, thank them for coming, and they would know that the elected officials in the City really care about their presence here. And we could, you know, kind of participate in some of the activities.

15 It's just a small way that we can kind of
16 use ourselves, if you will, to further promote
17 Philadelphia and let people know that we're very
18 happy that we're here. So we're around.

19 Thank you.

20 COUNCILWOMAN KRAJEWSKI: Thank you very
21 much.

22 Do you wish to testify?

23 MR. ROWLEY: Yeah, I just have a brief
24 statement.

25 COUNCILWOMAN KRAJEWSKI: Just state your

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2 name for the record.

3 MR. ROWLEY: Mickey Rowley, Executive
4 Director of the Greater Philadelphia Hotel
5 Association.

6 It was the Housekeeping Olympics, by the
7 way, Councilman Nutter. And we invite Councilman
8 Clarke, if he's going to wear the bathrobe, to do so
9 next year at our Housekeeping Olympics and could be
10 with the Marriott, who won this year's bed making
11 contest.

12 To respond to Councilman Mariano's
13 question-it's not chamber maids, by the way, it's
14 room attendants and housekeepers. And it's not \$6
15 an hour; it's closer to \$12 an hour, which is -- and
16 I'll address where those dollars go in our plan.

17 Anyway, we represent 59 of the hotels that
18 do business in Philadelphia -- that's all of the
19 hotels in Philadelphia. We employ some 14,000
20 people in the City and about, as Jim said, 40,000 in
21 the region. I thank you for the opportunity to
22 speak.

23 I'll be brief, as you've heard the
24 particulars of the ordinance from Jim Cuorato.

25 Of the 14,000 people that we employ in the

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2 City, 80 percent of our employees live in the City
3 of Philadelphia. And I don't have these numbers,
4 but I'm guessing that of the private-employee
5 industries in the City of Philadelphia, that's
6 probably the largest percent of employees who
7 actually live in the City of Philadelphia in your
8 neighborhoods.

9 Average wage is about 21, \$22,000 a year.
10 And last year, hotel employees in Philadelphia
11 contributed \$10 million to the City wage tax.

12 That number, 14,000, today is double what
13 it was in 1993, prior to the opening of the
14 Pennsylvania Convention Center and the opening of
15 many new hotels in the City.

16 Obviously, ours is an industry that's
17 experienced a rapid expansion of employment. That
18 expansion, however, today is at risk. As you know,
19 no industry has been hit harder by the tragic events
20 of September 11th than the travel and hospitality
21 business. Attached to our testimony* today is a
22 pretty dramatic chart that shows the occupancy of
23 our hotels in the month of September.

24 (*Copy of Mr. Rowley's
25 testimony not provided to

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2 stenographer for attachment

3 hereto.)

4 MR. ROWLEY: On Monday night, September
5 10th, hotels were running at 95 percent occupancy.
6 Within a week and on Monday night, September 17th,
7 our hotels were running 29 percent occupancy, which
8 is as dramatic a drop in demand as I've ever seen,
9 and I've been around for a few years.

10 We finished the month of September at 50
11 percent. September was to have been our strongest
12 month of the year. Most of the hotels were
13 anticipating an 80 or 82 percent month. I don't
14 need to tell you that our 14,000 employees were not
15 very busy that week. There have been large and
16 necessary reductions in labor at some of the hotels.
17 Some have reduced managers hours by 20 percent, and
18 others have just asked employees to be on a stand-by
19 or on-call business.

20 Unfortunately, most of our industry's
21 recent hires were folks coming off of welfare rolls.
22 You may have read the article in yesterday's
23 Inquirer about the woman from the Wyndham Hotel, and
24 that's a typical story.

25 So when Mayor Street called us together to

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2 see what it was that the City could do to help our
3 industry, our response and message to him was very
4 clear: Do something that will generate business --
5 what we call "room nights" -- so that our employees
6 can return to full employment.

7 The program, as designed by the hard work
8 of the Greater Philadelphia Tourism and Marketing
9 Corporation and the Philadelphia Convention and
10 Visitors Bureau, entitled "Philly's More Fun When
11 You Sleep Over," was launched just three weekends
12 ago, November 16th, and has already had a terrific
13 response.

14 By the way, one of the reasons the
15 response has been so good is the value offered by
16 the hotels, which is two nights for the price of one
17 at incredible rates, has made for a very strong
18 offer.

19 Through this past weekend, our ads have
20 pulled 415 of the two-night packages and 207
21 one-night specials, for a total of 1,037 room
22 nights, just after three weekends.

23 And in response to your question,
24 Councilman Mariano, if you divide just in
25 housekeeping alone, room attendants, if you divide

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2 the numbers of rooms they clean by that number of
3 room nights, that would be some 65, 70 days of work
4 for our employees. And that's why we're urging that
5 you proceed with this transfer of funds at the
6 Administration's request and bring our industry back
7 in Philadelphia.

8 Thank you.

9 COUNCILWOMAN KRAJEWSKI: Thank you very
10 much.

11 Councilman Nutter and then Councilman
12 O'Neill. Oh, Councilman O'Neill?

13 COUNCILMAN O'NEILL: Just two things.
14 One, you didn't mention the parking, but that is
15 something that I think is important, that the hotel
16 parking has been complementary as part of this
17 promotion?

18 MR. ROWLEY: Yes, it is.

19 COUNCILMAN O'NEILL: It is a
20 public-private partnership, and the hotels are
21 contributing to this quite substantially, so are the
22 parking lots.

23 And one thing I would like to mention -- I
24 don't know if they're in the room, but USAirways,
25 which has Philadelphia as its major city, its major

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2 airport, is launching a campaign we just learned
3 about last week that is tying in directly to this
4 promotion, and that is, they are specifically
5 lowering fares to Philadelphia to tie into this
6 program, and I think they should be congratulated.
7 But it really ties the ribbon around this completely
8 by bringing in USAirways, and they should be
9 congratulated as well.

10 Thank you.

11 COUNCILWOMAN KRAJEWSKI: Are there any
12 other questions?

13 COUNCILWOMAN MILLER: One question.

14 COUNCILWOMAN KRAJEWSKI: Councilwoman
15 Miller.

16 COUNCILWOMAN MILLER: Of the 14,000
17 employees, how many are full-time and how many are
18 part-time? If you don't know now, you can get back
19 to me later, but I'd be interested in knowing that.

20 MR. ROWLEY: Okay. We measure full-time
21 equivalents, so we measure a 40-hour work week. We
22 could probably get close to what the answer is of
23 full-time hours versus part-time hours.

24 COUNCILWOMAN MILLER: Okay, thank you.

25 COUNCILWOMAN KRAJEWSKI: Thank you,

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2 gentlemen.

3 MR. CUORATO: Thank you.

4 COUNCILWOMAN KRAJEWSKI: I believe that
5 we'll hear testimony on Bill 010689.

6 (Witness comes forward.)

7 COUNCILWOMAN KRAJEWSKI: Good morning.

8 MR. MEYER: Good morning. My name is Evan
9 Meyer, and I'm a senior attorney in the Law
10 Department. One of my responsibilities has been
11 arranging for the publication of the Philadelphia
12 Code of Ordinance and the periodic supplements of
13 the code. I'm here to testify as to the need for
14 Bill 010689, which would give Council's approval to
15 a multi-year contract to publish the Philadelphia
16 Code.

17 As you may know, the Home Rule Charter
18 requires that Council approve any service contract
19 that has a term of more than one year. A multi-year
20 contract is needed because it is most efficient to
21 have the same publisher produce the main Code
22 edition as well as the supplements for the next
23 three years. A new edition is produced every four
24 years.

25 Our contract with the current vendor,

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2 American Legal Publishing, expires with the 2001
3 supplement, which covers bills enacted through
4 August 2001. That supplement has just been printed
5 and is scheduled for delivery this week. An RFP has
6 been issued requesting proposals for a contract for
7 the next four years, which will include the next
8 full edition of the Code, and periodic supplements,
9 which will probably be published at least twice a
10 year.

11 We are now you publishing the Code and its
12 supplements on a regular, predictable schedule, with
13 considerable savings for the City both in time and
14 money. We would like to continue with this record,
15 and the bill before Council will help in that
16 effort.

17 The Law Department respectfully requests
18 Council's favorable conversation of this ordinance
19 before the end of the year so that we can make the
20 necessary arrangements to continue to publish the
21 Code on a timely basis.

22 As an addition to my prepared testimony, I
23 would like to add that we also respectfully request
24 a suspension of the rules on this bill.

25 Thank you for the opportunity to appear

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2 before this committee. I will be happy to answer
3 any questions at this time.

4 COUNCILWOMAN KRAJEWSKI: Thank you.

5 Mr. Meyer, how often are these supplements
6 distributed? And who is eligible to receive them?
7 I know the last copy I have is from 1998. I don't
8 remember receiving any of the supplements. Are
9 there yearly supplements distributed or just updated
10 on the Internet or what?

11 MR. MEYER: There are semiannual
12 supplements. The -- you should have a 2000 printed
13 supplement. And the 2001 printed supplement, as I
14 said, was supposed to be shipped this past Monday.

15 The -- we just changed the distribution of
16 the printing so that formerly Procurement
17 distributed the forms and publications, including
18 the Code. It's now going to be done by the prisons
19 through PhilaCorps, it's my understanding.

20 The different departments of the City
21 purchase these documents just like they purchase
22 other forms through -- formerly from Procurement.
23 And, you know, I don't believe that it's furnished
24 free. If your staff could check with the prisons
25 and with Procurement for past issues, perhaps they

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2 could come up with those.

3 COUNCILWOMAN KRAJEWSKI: Excuse me, did
4 you say the prison?

5 MR. MEYER: Yes. PhilaCorps is now going
6 to be producing the paper-bound books.

7 COUNCILWOMAN KRAJEWSKI: Councilman
8 Nutter.

9 COUNCILMAN NUTTER: Thank you, Madam
10 Chair.

11 Good morning, Mr. Meyer.

12 MR. MEYER: Good morning, Councilman.

13 COUNCILMAN NUTTER: So what will American
14 Legal Publishing be doing?

15 MR. MEYER: Well, our current contract
16 with American Legal Publishing is finishing right
17 now so what we need to do is to -- it was a
18 four-year contract and it's at its end. So we now
19 have an RFP out for proposals to see what kind of
20 deal we can negotiate for the next four years. I
21 anticipate that American Legal will be one of the
22 proposers, but, you know, we'll have to see.

23 We will then have -- we anticipate
24 negotiating a four-year contract first to produce a
25 main whole new edition of the Code in approximately

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2 September of 2002, and then on a regular basis,
3 probably every six months a supplement to that.
4 Although it kind of depends on what proposals we get
5 in. If people propose some terrific way of updating
6 the Code on a more frequent basis and we think
7 that's a good idea and cost-effective, it's possible
8 we could do that.

9 COUNCILMAN NUTTER: All right. I guess I
10 got somewhat confused, which, I mean, isn't that
11 hard to do.

12 So what's the prisons doing? I missed
13 that part. What's their role in this?

14 MR. MEYER: The publication of the printed
15 Code is actually in two steps. The contract that
16 we're talking about today is the contract for
17 editing and codification services. In other words,
18 we give the company that we're contracting with the
19 ordinances, and we say, Put these into the Code. So
20 they have to figure out how to take an ordinance and
21 put it in Code language, where it fits into the
22 Code, put in the necessary footnotes, you know, do
23 the proofreading, and make sure that they -- you
24 know, we have to -- sometimes there's already
25 footnotes in it or a section has been amended

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2 several times, and they have to add on to the end of
3 that.

4 COUNCILMAN NUTTER: Right.

5 MR. MEYER: So they've put together the
6 words that go with the Code.

7 COUNCILMAN NUTTER: Right.

8 MR. MEYER: But the actual printing of a
9 book is producing a product, so that's usually
10 competitively bid, as opposed to a personal-services
11 contract.

12 COUNCILMAN NUTTER: Okay, I understand
13 now.

14 So that putting it together is done by one
15 outfit, which will be the ultimate winner of the new
16 RFP. Presently, that work was done by American
17 Legal Publishing, and then they're going to shift
18 that boilerplate, or that plate, I guess, if you
19 will, now to the prisons, and they will actually do
20 the production work?

21 MR. MEYER: That's correct.

22 COUNCILMAN NUTTER: Okay. With regard to
23 getting copies, I actually had the same question
24 that the Chair had. It seems, at least from, I
25 think, our collective 17-person experience here, it

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2 seems to be a rather hit-or-miss kind of situation.
3 Sometimes you know, sometimes you don't know,
4 sometimes it's a function of whether you have good
5 friends over the in the Law Department or not or
6 you're on good terms at that particular time.

7 I also know that there is also a disk
8 that's produced presently; is that correct?

9 MR. MEYER: That's correct. The Code is
10 available on CD. We provide that CD to MOIS, and
11 it's also linked to the City's Web site. There is a
12 procedure for downloading the City Code to City-user
13 computer from the MOIS disk.

14 You may be familiar with the periodic
15 newsletter that the Law Department puts out called
16 "Client News" -- we have one on the Philadelphia
17 Code with the detailed instructions about how to
18 download the Code. You know, I'd be happy to
19 provide that to anybody.

20 COUNCILMAN NUTTER: Well, I appreciate
21 that. I think having the disk is certainly helpful.
22 Richie Feder actually tried to assist me in doing
23 the download, but it's -- apparently, our computers
24 may be slightly different than yours or there was
25 some problem in the downloading, or I was just too

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2 dumb to do it.

3 But in any event, it would seem rather
4 obvious, but I'll just put it on the record, but it
5 would certainly be helpful if the legislative body
6 of the government would have all of those kinds of
7 materials on a regular basis, and if, you know,
8 that's an issue with the President's Office -- I
9 mean, whoever has to buy it, certainly it would be
10 good that they bought it and then there were 17
11 copies of it made available to all of us and we got
12 it on a regular basis, it would help us.

13 MR. MEYER: I don't know why that hasn't
14 worked, but I will look into it.

15 COUNCILMAN NUTTER: I appreciate it.
16 Thank you.

17 COUNCILWOMAN KRAJEWSKI: Thank you.

18 We will now hear testimony on Bill No.
19 010663.

20 (Witness comes forward.)

21 COUNCILWOMAN KRAJEWSKI: Good morning.

22 MR. DUBOW: Good morning. My name is Rob
23 Dubow, and I serve as Budget Director of the City of
24 Philadelphia. I appear before you today to offer
25 testimony on Bill No. 010663, which makes Fiscal

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2 Year 2001 budget appropriation transfers between and
3 among classes and departments in the City's General
4 Fund.

5 The bill is required for the 2001 year-end
6 closing of the financial records of the City. As
7 you know, transfer ordinances are introduced in City
8 Council every year. Once each fiscal year ends, the
9 Accounting Bureau and the Office of the Director of
10 Finance close the books on that year's financial
11 transactions and begins to compile the annual
12 financial report of the City covering that fiscal
13 year.

14 In the course of preparing the City's
15 annual financial report, the Accounting and the
16 Budget Office identified reconciliations which need
17 to take place between the total to be shown in the
18 financial report and the appropriations for each
19 department included in the City's operating budget.
20 Once the report is completed, it's audited by the
21 City Controller for the Controller to give a
22 favorable opinion regarding the financial report's
23 legal appropriations for each department, and each
24 fund must be consistent with the report.

25 Enactment of the FY 2001 year-end transfer

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2 ordinance will make possible the reconciliation
3 that's required in order to permit that favorable
4 opinion.

5 The transfers in the bill are shown in
6 Exhibit A, which is attached to the testimony.
7 There are 29 transfers, and I'll summarize the
8 reasons for the major transfers included in the
9 bill.

10 Fourteen of the transfers involve a change
11 in total appropriations for a particular department
12 or cost center, eight of which are increases. These
13 eight transfers represent total net increases of
14 \$28.4 million.

15 The largest increase requested is a
16 \$16.1 million for the Police Department. Transfers
17 to Class 100 largely cover higher-than-expected
18 overtime costs related to court appearance, the
19 Republican National Convention, and
20 slower-than-anticipated attrition. That increase is
21 offset by small surpluses in other classes.

22 An increase of \$4.8 million is requested
23 for Licenses and Inspections for demolitions
24 appropriations for imminently dangerous buildings
25 deteriorated as a result of strong rain and wind.

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2 An increase of \$3 million is requested for
3 the Streets Department payment to other funds
4 appropriation, and an increase of \$1.5 million
5 requested for the Streets Sanitation Division
6 personal services appropriations. The 3 million is
7 needed to cover street reconstruction and
8 resurfacing work. The Sanitation Division increase
9 is needed to cover additional overtime resulting
10 from snow-fighting efforts.

11 Those increases are also offset by
12 decreases of \$446,000 in Streets' other classes and
13 Class 200, 300, and 400 appropriations in the
14 Sanitation Division.

15 An increase of \$2 million is requested for
16 the Board of Trustees of the Free Library material,
17 supplies, and equipment appropriation to cover the
18 cost for new books that were scheduled to be
19 delivered and funded in FY '02 but were mistakenly
20 delivered in FY '01. An increase is offset
21 partially by a \$137,000 decrease in appropriation
22 for personal services and purchase of services.

23 The Law Department requests a net increase
24 in appropriation of about \$1.6 million to cover the
25 higher-than-expected cost of outside counsel

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2 resulting from the significant number of
3 high-profile legal matters requiring technical
4 expertise not found within the Department. That
5 increase is partially offset by a \$22,529 decrease
6 in the Law Department's material, supplies, and
7 equipment appropriation, for a net increase of about
8 \$1.5 million.

9 An addition \$386,653 is requested in the
10 Department of Revenue appropriation to cover
11 additional overtime in the mailroom and the
12 repayment of a productivity bank loan.

13 The final significant increase of
14 appropriation of \$178,786 is requested for the
15 Sheriff to cover overtime costs and expenditures
16 related to State-mandated training. That increase
17 is partially offset by a decrease in appropriations
18 in purchase of materials, supplies, and equipment,
19 and there's a net increase of \$152,971.

20 Those increases in appropriations are made
21 possible through reductions in six different
22 appropriations. The largest reduction is about
23 \$8.8 million for fringe benefits. That reduction is
24 possible because there were 1,449 fewer employees
25 than originally anticipated in FY '01 and fewer

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2 employee claims, resulting in approximately
3 \$2.5 million in savings in disability payments and
4 Workman's Compensation.

5 A reduction of 6.3 is requested in the
6 appropriation from the Department of Revenue Sinking
7 Fund Commission resulting from
8 lower-than-anticipated interest rates and the
9 postponement of a new debt issuance.

10 An additional reduction of \$6 million in
11 appropriations from the Department of Public health
12 is requested, savings that resulted from the low
13 resident census but which are completely offset by a
14 reduction in revenue from medical assistance and
15 Medicare subsidies.

16 The Administration also requests a
17 reduction of \$5 million in the Director of Finance
18 indemnities appropriation. Funds were transferred
19 to the Indemnities Fund in anticipation of making
20 payments to Osage Avenue residents, and while some
21 payments were made, not all of the residents
22 exercised their payment option.

23 The two other reductions in appropriation
24 proposed in the bill include a \$2 million reduction
25 in the Department of Public Property appropriation

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2 primarily due to reimbursements from prior-year bill
3 overpayments, and a \$267,939 decrease in the
4 Licenses and Inspections appropriation in Classes 1,
5 3, and 400, primarily due to delays in filling
6 positions.

7 The other 15 transfers in the bill are
8 between classes within departments and do not result
9 in any net change in Fiscal Year '01 departmental
10 appropriations.

11 The largest internal transfer is about
12 \$7.2 million for the First Judicial District. As in
13 earlier years, the First Judicial District realized
14 a Class 100 surplus. This ordinance would transfer
15 the surplus to Class 200 to provide additional
16 monies to the administrative office of the
17 Pennsylvania Courts for renovations to the First
18 Judicial District occupied space as well as
19 technology and telecommunications upgrades,
20 consistent with the ongoing agreement of
21 understanding between the City and the AOPC.

22 I hope these comments have been helpful in
23 describing the content of the ordinances before you.
24 On behalf of the Administration, I respectfully
25 request your favorable consideration of the bills

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2 and suspension of the rules to permit consideration
3 of these ordinances on the first-reading calendar of
4 City Council's next meeting.

5 I'd be happy to answer any questions, and
6 I know representatives from the various departments
7 are here also.

8 COUNCILWOMAN KRAJEWSKI: Thank you.

9 I'd also like to acknowledge Councilman
10 Ortiz.

11 Mr. Dubow, how much of this allocation is
12 being used to fund outside legal counsel for the
13 stadiums? I have about three questions.

14 MR. DUBOW: Okay, why don't I ask Bill
15 Thompson from the Law Department to come up and
16 answer those questions.

17 (Witnesses come forward.)

18 COUNCILWOMAN KRAJEWSKI: Good morning.

19 MR. THOMPSON: Good morning, Councilwoman.
20 I am William R. Thompson, Chair of Litigation in the
21 City Law Department. During the month of November,
22 I also served as Acting City Solicitor. With me as
23 well is Christopher Lane, our Director of
24 Administration and Management of the Law Department.

25 I'd be happy to try and answer your

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2 questions.

3 COUNCILWOMAN KRAJEWSKI: How much of the
4 allocation is being used to fund the outside legal
5 counsel for the stadiums?

6 And while I'm at it, how much of this
7 allocation was made to Mr. Martin?

8 The other question -- one more. Could you
9 provide this committee with a breakdown of funds
10 paid to the firms that were involved in the deal, in
11 the stadium deal?

12 MR. THOMPSON: The numbers that I have,
13 Councilwoman, total approximately \$656,000. The
14 breakdown I have for that is:

15 Payable to Montgomery, McCracken in FY
16 2001, \$161,000.

17 Payable to Pollino & Lance -- that is the
18 law firm where Bill Martin is -- I have \$283,018.

19 Payable to James Prendergast, who is a
20 contract lawyer working for the Law Department,
21 \$50,000.

22 And payable to Wolf, Block is \$183,259.

23 COUNCILMAN NUTTER: What was the last one?

24 MR. THOMPSON: \$183,259.

25 COUNCILWOMAN KRAJEWSKI: What was

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2 Mr. Martin again?

3 MR. THOMPSON: Pollino & Lance, the number
4 I have for Pollino & Lance is \$283,018.

5 COUNCILWOMAN KRAJEWSKI: Could you submit
6 that in writing to me so I can --

7 MR. THOMPSON: Certainly.

8 COUNCILWOMAN KRAJEWSKI: Thank you.

9 Any other questions?

10 Yeah, Councilman Nutter.

11 COUNCILMAN NUTTER: Just one question on
12 that question. You're saying that all four of these
13 firms did work on behalf of the City or City-related
14 agencies connected to the stadium transaction?

15 MR. THOMPSON: That is correct.

16 COUNCILMAN NUTTER: Okay. And what was
17 the general scope of work? What is it that these
18 firms were doing?

19 MR. THOMPSON: Well, I think that this is
20 a very complex deal, as you might imagine.

21 COUNCILMAN NUTTER: Right.

22 MR. THOMPSON: My understanding of it --

23 COUNCILMAN NUTTER: I remember, I lived
24 through it.

25 MR. THOMPSON: Okay. And there's a whole

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2 panoply of services being provided -- from extensive
3 document drafting, negotiation, representation in a
4 number of transactional circumstances. I don't have
5 the complete breakdown here.

6 But as you might imagine, it is very
7 thorough, all-encompassing, and very complex.

8 COUNCILMAN NUTTER: (Laughs.)

9 MR. THOMPSON: There are a number of
10 things involved. As I understand it, there is a --

11 COUNCILWOMAN KRAJEWSKI: Very complex.

12 COUNCILMAN NUTTER: Very complex.

13 MR. THOMPSON: There are a number of
14 separate real-estate deals in terms of real-estate
15 acquisitions that have taken place. There are a
16 number of leases drafted, a number of proceedings
17 involving eminent domain proceedings, contract
18 negotiations with respect to a number of other
19 transactions.

20 COUNCILMAN NUTTER: Okay, all right. I'll
21 come back to that area.

22 I would say, Mr. Thompson, that I didn't
23 mean to chuckle, but Mr. Dubow certainly knows that
24 you probably took advantage of being Acting City
25 Solicitor, because he would never be able to get

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2 away with "It's just a very complex situation" as an
3 answer to any question.
4 MR. DUBOW: It's all complex.
5 COUNCILMAN NUTTER: As our lawyer, you get
6 a slide for today.
7 Thank you.
8 MR. THOMPSON: There is a level of detail
9 that of course --
10 COUNCILMAN NUTTER: Mr. Thompson --
11 COUNCILWOMAN KRAJEWSKI: Stop while you're
12 ahead.
13 COUNCILMAN NUTTER: Mr. Dubow, please give
14 Mr. Thompson some advice.
15 COUNCILWOMAN KRAJEWSKI: Or give him a
16 kick.
17 Thank you.
18 COUNCILMAN NUTTER: I had one other
19 question.
20 COUNCILWOMAN KRAJEWSKI: Councilman
21 Nutter.
22 COUNCILMAN NUTTER: In the same area but a
23 different question, Mr. Thompson, the other \$900,000
24 in additional costs, because I'm taking it that --
25 the testimony here says that you have

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2 \$1.5 million-plus to cover higher-than-expected
3 costs of outside legal counsel resulting from a
4 significant number of high-profile legal matters.
5 Are we to take it that the \$656,000 that you
6 mentioned is a part of the \$1.57 million?

7 MR. THOMPSON: Yes, that is correct.

8 COUNCILMAN NUTTER: Okay, tell us about
9 the other \$900,000. Why did you have such an
10 unanticipated cost close to a million dollars?

11 MR. THOMPSON: There are a number of other
12 matters in which the City Law Department --
13 high-level officials in the City Law Department
14 would be witnesses with respect to lawsuits that
15 could not have been anticipated at the time of the
16 budget submission; for instance, the Testa
17 litigation. Another case of that ilk would be the
18 RNC litigation. These are cases which would not
19 have been anticipated at the time that the budget
20 was prepared, but there are averments in the lawsuit
21 which would make a number of --

22 COUNCILMAN NUTTER: There are what?

23 MR. THOMPSON: There are averments in the
24 lawsuit that would --

25 COUNCILMAN NUTTER: Averments?

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2 MR. THOMPSON: There are allegations,
3 averments in the lawsuit that --

4 COUNCILMAN NUTTER: Averments, okay. I
5 thought we had to call the Health Department or
6 something.

7 (Laughter.)

8 MR. THOMPSON: -- that will make
9 high-level -- I'm sorry.

10 COUNCILMAN NUTTER: Go ahead.

11 MR. THOMPSON: There are allegations in
12 the lawsuit that will result in high-level officials
13 with the Law Department being witnesses with respect
14 to the defense of those lawsuits. And of course,
15 under those circumstances, we need to make every
16 effort to avoid the appearance of any impropriety.
17 Those are the kinds of cases that have to go to
18 outside counsel. And Testa and RNC, for instance,
19 fall into that category.

20 There are other like the Parking Authority
21 litigation, for instance -- again, litigation that
22 could not have been anticipated at the time -- that
23 would have involved some unanticipated need for
24 tremendous resources that we do not normally staff
25 for at the Law Department.

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2 The need to deal with pleadings and
3 exigent hearings on a short-time basis that require
4 the help of outside-counsel larger firms who have
5 the resources to be able to throw out those cases in
6 a moment's notice, that's another kind of case.

7 The Silverberg case, which is on your
8 list, is also a case, for instance, unanticipated at
9 the time --

10 COUNCILMAN NUTTER: On what list? On what
11 list?

12 MR. THOMPSON: I'm sorry. There's a case
13 involving allegations again with respect to --

14 COUNCILMAN NUTTER: I'm not asking you
15 about the case. You said "on our list." What list?

16 MR. THOMPSON: I'm sorry. I have before
17 me a list with respect to unanticipated matters.

18 COUNCILMAN NUTTER: Okay.

19 MR. THOMPSON: I was unaware that it was
20 not brought into the committee.

21 It is a case involving allegations against
22 the Law Department to some extent that require the
23 Law Department's lawyers to appear as witnesses.

24 COUNCILMAN NUTTER: Okay, all right, I
25 gotcha. Thank you.

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2 COUNCILWOMAN KRAJEWSKI: Thank you.

3 Mr. Dubow, on the question again,
4 regarding the First Judicial District, has there
5 been any change in the courts regarding funding from
6 the State to cover the funding?

7 MR. DUBOW: No, no, there hasn't.

8 COUNCILWOMAN KRAJEWSKI: I believe last
9 year, the State was funding 12 positions, according
10 to testimony that was given before this committee.
11 Can you give us an update?

12 MR. DUBOW: Well, the background is that
13 there were a couple of court decisions that said the
14 State is responsible for funding a unified court
15 system. In the second decision, the court appointed
16 a special master to do a report recommending how the
17 transition from county to state control should
18 happen.

19 The special master issued a report and
20 suggested a four-stage transition. The first stage
21 was the stage that covered those 12 employees. That
22 stage happened. The succeeding stages, which
23 covered a much larger number of employees, have
24 never happened, have not been implemented by the
25 State.

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2 COUNCILWOMAN KRAJEWSKI: Could you tell us
3 how much money the First Judicial District has in
4 surplus in the court improvement account and in the
5 other account?

6 MR. DUBOW: I'm going to ask Kevin Cross
7 from the First Judicial District to come up and
8 provide those details.

9 (Witness comes forward.)

10 MR. CROSS: Good morning, Madam Chair.

11 COUNCILWOMAN KRAJEWSKI: Good morning.

12 MR. CROSS: I am Kevin Cross, Deputy
13 Administrator for Financial Services for the First
14 Judicial District.

15 Your question concerning the court
16 improvement account, we have approximately
17 \$20 million in that account but have various --

18 COUNCILWOMAN KRAJEWSKI: Excuse me, 20?

19 MR. CROSS: \$20 million, yes.

20 COUNCILWOMAN KRAJEWSKI: All right.

21 MR. CROSS: And that would include the
22 proposed transfer that is in the works right now.

23 We have various projects that are
24 scheduled against that account, and they include
25 upgrades to our criminal-case processing system, our

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2 LAN software system, and our network. They include
3 enhancements to City Hall and renovation of space
4 for courtrooms and also the e-filing applications in
5 the Trial Division and Municipal Court.

6 So we have projected expenditures that are
7 almost equal the amount or maybe even exceed the
8 amount that we have in our current court improvement
9 account.

10 COUNCILWOMAN KRAJEWSKI: Well, how long
11 has the First Judicial District been stockpiling
12 these funds?

13 MR. CROSS: This agreement has been going
14 on for almost ten years, since the beginning of the
15 Rendell Administration, when the Supreme Court
16 intervened, and we were allowed to do our own
17 purchasing. And it was a part of the zero-growth
18 budget agreement. And the zero-growth budget
19 agreement has capped our position level and our
20 Class 100 funding. So we don't come to City Council
21 or the Administration for additional funds for
22 personnel costs or -- we stayed within zero-growth
23 for almost 10 years.

24 COUNCILWOMAN KRAJEWSKI: Thank you.

25 Any other questions from members?

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2 (No further questions.)

3 COUNCILWOMAN KRAJEWSKI: Thank you very
4 much.

5 MR. CROSS: Thank you.

6 COUNCILWOMAN KRAJEWSKI: Any other
7 questions regarding any of the other departments?

8 COUNCILMAN NUTTER: Thank you, Madam
9 Chair. Just a couple.

10 Mr. Dubow, on, I guess, Page, maybe, 3 of
11 your testimony, you said that there's a reduction of
12 \$6.3 million, which was requested in the
13 appropriation from the Department of Revenue Sinking
14 Fund Commission resulting from
15 lower-than-anticipated interest rates and the
16 postponement of new debt issuance. What new debt
17 was not issued that anticipated?

18 MR. DUBOW: It's very complex.

19 (Laughter.)

20 COUNCILMAN NUTTER: Nice try.

21 MR. DUBOW: When we constructed the Fiscal
22 Year '01 budget, we anticipated issuing our new
23 general-obligation debt for various improvements,
24 like the Recreation Department's improvements and
25 the Streets Department's (indiscernible) our General

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2 Fund debt in July, we actually ended up issuing it
3 in January, which meant that it was a full six
4 months later.

5 COUNCILMAN NUTTER: You're anticipating
6 doing it in July?

7 MR. DUBOW: In July of 2000, which would
8 be the beginning of fiscal 2001.

9 COUNCILMAN NUTTER: Right.

10 MR. DUBOW: Instead, the bonds were issued
11 in January, so there was a half year less of debt
12 service on these bonds.

13 COUNCILMAN NUTTER: Okay, is that it?

14 MR. DUBOW: Yeah, that's the delay in
15 issuance that we were talking about.

16 COUNCILMAN NUTTER: That's the one delay,
17 okay.

18 I have a question for the Department of
19 Licenses and Inspections -- actually two questions.
20 One involves computerization and the other involves
21 costs of demolitions for these commercial buildings.
22 Do you have any information about that, or is it
23 easier for you to --

24 MR. DUBOW: Why don't I ask the
25 commissioner to come up.

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2 (Witness comes forward.)

3 COUNCILWOMAN KRAJEWSKI: Good morning,
4 commissioner.

5 COMMISSIONER MCLAUGHLIN: Good morning
6 Councilwoman and members of the committee. My name
7 is Ed McLaughlin, Commissioner of L&I.

8 COUNCILMAN NUTTER: Good morning,
9 Commissioner.

10 COMMISSIONER MCLAUGHLIN: Good morning,
11 Councilman.

12 COUNCILMAN NUTTER: Could you give us a
13 very brief update on -- you've been here on a couple
14 of different occasions -- computerization of your
15 office operations. And in your testimony, you talk
16 about 32 large commercial structures demolished at
17 an average cost of \$127,000.

18 What I want to ask you about that is:
19 One, why does it cost so much to demolish these
20 buildings? and two, what, if any, active program do
21 we have to try to recover any of these costs on the
22 commercial building side?

23 COMMISSIONER MCLAUGHLIN: As far as the
24 computerization, we're in the same boat as everyone
25 else, with the new director of MOIS doing a study to

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2 determine the needs of the City. So -- but we're
3 very hopeful that --

4 COUNCILMAN NUTTER: I thought you had
5 already put together a proposal for your department.

6 COMMISSIONER MCLAUGHLIN: We did. But
7 that -- I still have hopes that that proposal that
8 we put together will come through. It's just that
9 the new director has to have time to get her feet on
10 the ground and find out what the needs of the -- the
11 complexity of a department like ours is that very
12 many people have to hook into us to -- for it to
13 work properly. And that's what she's concerned
14 over.

15 COUNCILMAN NUTTER: Yeah, okay. Tell me
16 about the commercial buildings.

17 COMMISSIONER MCLAUGHLIN: The commercial
18 buildings cost more because they're bigger, because
19 the -- we have asbestos, heavy-duty asbestos removal
20 responsibilities and because of the stepped-up State
21 involvement in environmental issues regarding just
22 where that debris can be disposed of. So that just
23 adds onto the cost.

24 COUNCILMAN NUTTER: Okay. Are you aware
25 of any efforts to aggressively pursue cost recovery

1 12/6/01 APPROPRIATIONS - BILL 010663

2 from these very expensive demolitions?

3 COMMISSIONER MCLAUGHLIN: We lien every
4 property before we do a demolition, and, of course,,
5 the Law Department does pursue those liens. I
6 understand a part of the Mayor's blight initiative
7 would be to step that process up also.

8 COUNCILMAN NUTTER: Okay, thank you.

9 COUNCILWOMAN KRAJEWSKI: Thank you,
10 Commissioner.

11 Are there any other questions?

12 (No further questions.)

13 COUNCILWOMAN KRAJEWSKI: Are there any
14 other questions from members of the committee
15 regarding Bill 010663?

16 (No further questions.)

17 COUNCILWOMAN KRAJEWSKI: Now we'll have
18 testimony on the last bill, which is 010664.

19 (Witnesses come forward.)

20 COUNCILWOMAN KRAJEWSKI: Good morning,
21 gentlemen. Please state your name for the record.

22 MR. BRUNWASSER: Good morning,
23 Councilwoman Krajewski. My name is Bernard
24 Brunwasser. I am Deputy Commissioner for the
25 Philadelphia Water Department. With me today is

1 12/6/01 APPROPRIATIONS - BILL 010663

2 Joseph Claire, who is the Department's
3 Administrative Services Director.

4 I am here before you today to present
5 testimony on behalf of the Water Department for
6 Fiscal Year 2001 year-end transfer ordinance within
7 the Water Fund.

8 The Department is requesting an increase
9 of \$704,884 to cover a shortfall in its Class 100,
10 or personal services funds. This shortfall was
11 related exclusively to the unbudgeted payment of a
12 one-time bonus of \$1500 per employee for
13 approximately 2100 Water Fund employees on August
14 11, and August 25, 2001, after the ratification of
15 the District Council 33 and District Council 47
16 labor contracts, which became effective July 1,
17 2000.

18 The total amount of the bonus paid by the
19 Water Fund was in excess of \$3.1 million. The
20 balance of the bonus was absorbed by the existing
21 Fiscal Year 2001 personal services appropriation.

22 The transfer will be coming from funds
23 budgeted for electricity in Class 200, and that
24 totals \$492,112, and funds budgeted for chemicals in
25 Class 300, in the material, supplies and equipment

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2 category, and those funds are \$212,772.

3 I would also like to request the
4 suspension of the rules to permit a speedy review of
5 our request by the full Council.

6 Thank you for the opportunity to present
7 this testimony. I'm available to answer any
8 questions you may have.

9 COUNCILWOMAN KRAJEWSKI: Thank you very
10 much.

11 COUNCILMAN NUTTER: Thank you.

12 Are there any other questions?

13 (No further questions.)

14 COUNCILWOMAN KRAJEWSKI: I believe that
15 this will end our committee in the public hearing.

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1 12/6/01 APPROPRIATIONS - PUBLIC MEETING

2 COUNCILWOMAN KRAJEWSKI: Now we'll go into
3 our public meeting

4 You're requesting a suspension of the
5 rules, right, Mr. Dubow?

6 MR. DUBOW: Yes, please.

7 COUNCILWOMAN KRAJEWSKI: The Chair
8 recognizes Councilman Nutter.

9 COUNCILMAN NUTTER: Thank you, Madam
10 Chair. Madam Chair, I move that Bill No. 010689 be
11 reported out of committee with a favorable
12 recommendation and a further recommendation that the
13 rules of Council be suspended so as to permit first
14 reading at our next session.

15 (Duly seconded.)

16 COUNCILWOMAN KRAJEWSKI: All those in
17 favor?

18 Those opposed?

19 Therefore, Bill 010689 will be reported
20 out of this committee with a favorable
21 recommendation with the suspension of the rules so
22 as to permit first reading at our next session of
23 Council

24 Councilman Nutter?

25 COUNCILMAN NUTTER: Thank you, Madam

1 12/6/01 APPROPRIATIONS - PUBLIC MEETING

2 Chair. I move that Bill No. 010662 be reported out
3 of committee with a favorable recommendation and a
4 further recommendation that the rules of Council be
5 suspended so as to permit first reading at our next
6 session.

7 (Duly seconded.)

8 COUNCILWOMAN KRAJEWSKI: All those in
9 favor?

10 Those opposed?

11 therefore, Bill No. 010662 will be
12 reported out of this committee with a favorable
13 recommendation with a suspension of rules so as to
14 permit first reading at the next session of Council.

15 Councilman Nutter.

16 COUNCILMAN NUTTER: Madam Chair, I move
17 that Bill 010663 be reported out of this committee
18 with a favorable recommendation and a further
19 recommendation that the rules of Council be
20 suspended so as to permit first reading at our next
21 session.

22 (Duly seconded.)

23 COUNCILWOMAN KRAJEWSKI: All those in
24 favor?

25 All those opposed?

1 12/6/01 APPROPRIATIONS - PUBLIC MEETING

2 Therefore, Bill 010663 will be reported
3 out of this committee with a favorable
4 recommendation and the rules of Council be suspended
5 so as to permit first reading at the next session of
6 Council.

7 Councilman Nutter.

8 COUNCILMAN NUTTER: Thank you, Madam
9 Chair. I move that Bill No. 010664 be reported out
10 of this committee with a favorable recommendation
11 and a further recommendation that the rules of
12 Council be suspended so as to permit first reading
13 at our next session.

14 (Duly seconded.)

15 COUNCILWOMAN KRAJEWSKI: All those in
16 favor?

17 All those opposed?

18 Therefore, Bill 010664 will be reported
19 out of this committee with a favorable
20 recommendation and the rules of Council will be
21 suspended so as to permit first reading at the next
22 session of Council.

23 Thank you all very, very much.

24 (Proceedings end at 10:07
25 a.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the foregoing

proceedings of the Council of the City of

Philadelphia's meeting of the Council Committee on

Appropriations of Thursday, 12/6/01, 2001, are

contained fully and accurately in the stenographic

notes taken by me upon, and that this is a true and

correct transcript of same.

RE: Ordinance No.s' 010662, 010663, 010664, 010689

_____,
Josephine Cardillo

Registered Professional Reporter
and Notary Public

(The foregoing certification of this
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